GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Proposal of LG vendors for setting up of greenfield industrial units in Sri City as vendors for the LG Plant - Extension of certain special package of incentives - Orders - Issued.

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INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 64 Dated: 19-04-2025

Read the following:

1. G.O.Ms. No.77, Ind. & Comm. (P&I) Department dt:26-112024.
2. Proposal of M/s. LG Electronics Private Limited
3. Minutes of the 8th State Investment Promotion Committee meeting held on 01.04.2025.
4. Minutes of the 5th State Investment Promotion Board meeting held on 10.04.2025.

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ORDER:

In the reference 1st read above, orders have been issued to extending certain special incentives package to M/s.LG Electronics Private Limited for setting up of Refrigerator, Air Conditioner and Washing Machine and components like Compressor (Air Conditioner & Refrigerator), Motor Compressor and Heat Exchanger manufacturing facility in Sricity, Tirupati.

2. M/s. LG Electronics informed that to support LG's new manufacturing facility, the following four key vendors are establishing their production units in India:-

i. **Ecorea and Kuroda Electric India Pvt. Ltd. (EKI)**- Specializing in plastic injection molding for home appliances.

ii. **Haeng Sung India Pvt. Ltd.** - Manufacturing PCBs and wiring harnesses for home appliances.

iii. **Kyungsung Precision India Pvt. Ltd.** - Producing precision molds and plastic injection components for home appliances and automobiles.

iv. **Taesung Electronics India Pvt. Ltd.** - Manufacturing stamped components through press-based stamping technology for air conditioners and refrigerators.

(p.t.o.)

3. Accordingly, M/s. LG Electronics have requested for additional incentives for its vendors to ensure a strong and competitive supply chain, as per AP IDP (4.0) 2024-29 policy.

1. Investment Period from 2 years to 6 years as same as LGE investment period.
2. Early Bird Project Scheme Application
3. Investment Subsidy @30% payable in 3 year instead of 5 as per Policy.
4. Power Cost Reimbursement @ INR 1 per unit for 5 years instead of 2 years as per policy
5. In case of Employment to Investment (E/I) ratio is larger than 1, Investment Subsidy @ 10% instead of 8% as per policy
6. Net SGST reimbursement for 10 years instead of 5 years as per policy.

4. Accordingly, the proposal from Director of Industries was placed before the State Investment Promotion Board (SIPB) meeting held on 10.04.2025 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 01.04.2025. The SIPB after detailed discussion, has recommended the proposal of LG vendors for setting up of green field industrial units in Sri City as vendors for the LG Plant.

5. Government, after careful consideration of the decision of the State Investment Promotion Board, hereby extend certain Tailor-made incentives and extension of the standard investment period, to set up greenfield industrial units in Sri City as vendors for the LG Plant, with a proposed investment of INR 839 crore and commitment to generate 692 employment opportunities.

1. SIPB approved, as a special case, the grant of following uniform tailor- made capital incentives of up to 45% of Fixed Capital Investment for 4 LG vendors considered in the proposal and SIPB also directed that the same incentives will be applicable to any new LG vendor for Sri City project, under 'New AP Industrial Development Policy (4.0) 2024-29':
2. Investment Subsidy @30% payable in 3 years.
3. Power Cost Reimbursement @ INR 1 per unit for 5 years.
4. In case of Employment to Investment (E/I) ratio is larger than 1 Investment Subsidy @ 10%
5. Net SGST reimbursement for 10 years.

6. The above incentives shall be made applicable subject to company adhering to the definite time lines for implementation of the Mega project and investment and employment commitment from the company as per the proposal submitted.

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7. The Special Chief Secretary/Principal Secretary/Secretary of the concerned departments such as Power, Water Resources Department, Industry and Commerce (CIP), Skill Development Department, Revenue (Land, Registration and Stamps), Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the project.

8. The Vice Chairman & Managing Directing, Andhra Pradesh Industrial Infrastructure Corporation Limited, Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line Departments.

9. As envisaged under the Andhra Pradesh Industrial Development Policy (4.0) 2024-29, the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

10. The Director of Industries, A.P., Mangalagiri should ensure that the PMU with the Department monitors the progress of the project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
The Director of Industries, A.P., Mangalagiri.
The LG vendors (Ecorea and Kuroda Electric India Pvt. Ltd. (EKI), Haeng Sung India Pvt. Ltd., Kyungsung Precision India Pvt. Ltd., Taesung Electronics India Pvt. Ltd.)
The Special CS/Principal Secretary/Secretary of the concerned department viz,
The Revenue (Land, Registration and Stamps) Department,
The Finance Department, AP. Secretariat.
The PR&RD Department, AP. Secretariat.
The MA&UD Department, AP. Secretariat.
The EFS&T Department, AP. Secretariat.

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The Energy Department, AP. Secretariat.
The Water Resource Department, AP. Secretariat.
The Roads and Buildings Department, AP. Secretariat.
The Skill Development Department, AP. Secretariat.
The Infrastructure and Investment Department, AP. Secretariat.
The Industry and Commerce (Mines.II) Department, AP. Secretariat.
The Collector & District Magistrate, Tirupati District., Tirupati.
Copy to:
The Finance (FMU-I&I, Energy and I&C) Department, AP. Secretariat.
The Revenue (CT) Department, AP. Secretariat.
The Law (H) Department, AP. Secretariat.
The Accountant General, Vijayawada, Andhra Pradesh.
The Commissioner of State Taxes, Vijayawada.
The P.S. to Secretary to Chief Minister.
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing). AP. Secretariat.
The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Secretary to Government Industries & Commerce Department.
The G.A. (Cabinet.I) Department.
SC/SF. (Comp. No.2790911)

//FORWARDED::BY ORDER//

SECTION OFFICER